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29 October 2024

Enento Group Plc

Interim Report

1.1.2024-30.9.2024



Key figures 2024 YTD



NET SALES
FROM NEW SERVICES

15,3%

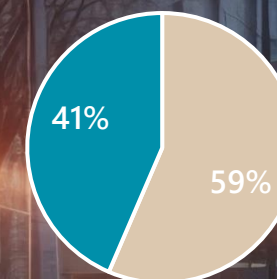
30.9.2024



NET SALES 30.9.2024

112,6 MEUR

Share of net Sales by
Business Area 2024 YTD



■ BUSINESS
INSIGHT

■ CONSUMER
INSIGHT



ADJUSTED EBITDA 30.9.2024

40,3 MEUR



ADJUSTED EBITDA MARGIN 30.9.2024

35,8 %



FREE CASH FLOW 30.9.2024

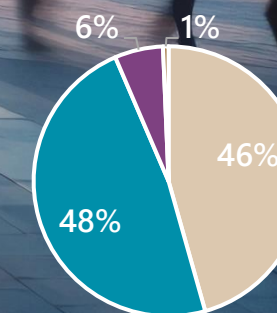
23,6 MEUR



MARKET CAPITALISATION 30.9.2024

459 MEUR

Share of Net Sales by
Country 2024 YTD*



■ SWEDEN

■ FINLAND

■ NORWAY

■ DENMARK



We are carbon neutral
and have reduced 77%
of emissions since 2019



EMPLOYEES In average in 2024

382



NPS SCORE STRATEGIC AND
LARGE CUSTOMERS 30.9.2024

38



EMPLOYEE TEMPERATURE INDEX

7,9 30.9.2024

Key figures Q3 2024



NET SALES

-2,4%*

36,8 MEUR

ADJUSTED EBITDA

-5,0%
-6,0%*

13,8 MEUR

ADJUSTED EBITDA MARGIN

-1,4 pp-%*

37,5 %

FREE CASH FLOW

50,8%

10,7 MEUR

NET DEBT TO ADJUSTED EBITDA

2,5 X (2,4x)

SHARE OF NEW SERVICES

3,7 pp-%

16,6 %

Highlights Q3 2024

MARKET AND CUSTOMERS

- No major changes in the macroeconomic and market environment; pace of market recovery is still slow despite of some signs of stabilization in the Swedish market
- New legislative measures introduced in Sweden to prevent over-indebtdness
- NPS from strategic and large customers remained on a good level at 38**

NET SALES AND PROFITABILITY

- Business Insight continued solid performance particularly in Finland and Norway
- Net sales declined by 2,4%* due to muted consumer credit information demand in Sweden and Finland during the third quarter
- Adjusted EBITDA margin 37.5%, efficiency measures supporting but headwinds from sales mix due to decline consumer credit volumes, cost inflation and continued growth investments to offering and commercialization

EFFICIENCY PROGRAM

- Targeted 10 MEUR run-rate benefit impact fully achieved
- IT infrastructure consolidation is proceeding and will be finalized in H1 2025

NEW SERVICES

- Share of net sales from new services 16,6% improved from previous year (12,9%)
- Improvement was driven by new services related to Swedish daily credit register, Finnish SME-offering modernisation and new real estate information services

Efficiency Program update: Targeted 10 MEUR efficiency benefit surpassed on a run-rate basis



FTE EFFICIENCY

- Further FTE efficiencies realized through voluntary redundancies

IT EFFICIENCY

- Application maintenance and development transition in Sweden and Finland close to completed
- IT infrastructure consolidation is proceeding in Sweden and Finland. Timeline has been extended and consolidation is expected to be finalized during H1 2025

OTHER

- Finland moved into smaller more centrally located facilities from the beginning of August
- Premium Sweden first steps in improving sales efficiency via insourcing certain products to our own sales organization from our sales partner



TOTAL PROGRESS

- Targeted 10 MEUR efficiency benefit has been more than 100% achieved on a run-rate basis
- Going forward, we will not anymore report the progress of the program but continue to execute the remaining efficiency actions

New measures introduced by the Swedish government in August 2024 to prevent over-indebtdness



- The Swedish government presented a legal proposal to enhance consumer protection and prevent over-indebtdness
- Several measures are proposed, but it is stated that they will not proceed with the register of debt and credit information (Skri register)

Key measures proposed

When

Impact on the total Swedish consumer lending market

Lower interest rate cap

1 March 2025

Cap on the cost of credit

1 March 2025

More transparent marketing

1 March 2025

Limiting credit term extensions

1 March 2025

Interest rate deduction limitation

1 January 2025 / 2026

Impacting especially lenders with higher interest rates

Impacting unsecured loans and lenders,
including existing portfolio of loans

Swedish regulative proposals are overall positive for the Swedish society and for Enento over time despite of resulting consumer credit volume headwinds



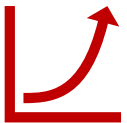
Enento continues to be an essential part of the credit ecosystem in Sweden



Enables us to further develop and invest into our consumer credit business and services in Sweden also in the long-term (e.g., expand data coverage)



Continue active dialogue and monitor the situation as additional measures can be introduced over the long-term if over-indebtedness problem persists



Proposed regulative measures will dampen market recovery and growth from current low levels, Swedish consumer credit “new normal” is still uncertain



Business Area Update

Business Insight

Positive net sales development in Finland and Norway. Enterprise and Premium were stable, whereas Real Estate and Freemium demonstrated very good growth



Net Sales +2,2%
21,5 MEUR

Organic, at comparable FX rates



Highlights Q3 2024

- Sales growth was strong in Norway while Finland had steady development and Sweden continued to decline
- Enterprise and Premium were stable, whereas Real Estate and Freemium demonstrated very good growth
- Renewing and harmonizing our SME online sites to drive more scalability, faster time-to-market and improved profitability is proceeding: New version of Allabolag.se online site for SMEs just launched
- Norway moving towards growing in mid-sized corporates. We have a good business information offering to serve wider range of customers and we are investing in sales and distribution accordingly: Compliance offering extended as PEP and sanctions API now available (on top of online channel)
- Proff triumphs again with the Gazelle Award for its fast growth and financial success in Denmark

Consumer Insight

Consumer credit information demand was muted both in Sweden and Finland, volumes have stabilized on a quarter-to-quarter basis but not yet turning to growth



Net Sales -8,3%
15,4 MEUR

Organic, at comparable FX rates



Highlights Q3 2024

- Consumer lending market recovery continues to be slow in Sweden as loan broker channel activity and volumes have remained low. Volumes have stabilized on a quarter-to-quarter basis, but it is not yet turning into sales growth
- Lower volumes and weaker sales mix with more basic services impacted sales negatively in Finland
- Our services connected to the Finnish government's positive credit register continue to receive positive feedback from customers
- Positive development with e-commerce vertical penetration and consumer marketing information growing strongly
- New anti-fraud score launched in the Swedish market

Corrupt data is the New Reality

We invest in fraud protection



Market situation

- A market based on trust is no longer a reality
- Fraud is an increasing problem in the society across Nordics and especially in Sweden as of today
- Results in less functioning economy and credit market
- Growing addressable market and needed for a sustainable society

Customer need

- Predicting and preventing fraud is increasingly complex and requires more targeted real time data and insights
- Financial institutes have a large challenge with fraud in comparison with regular credit defaults

Our solution

- Holistic overview of relevant data that can be utilized to identify and prevent fraud before transactions happen
- We can provide scoring and monitoring to prevent fraud, analytics to create customer unique insights and suggest preventive measures, scoring built-in the decision software to automate fraud prevention
- New anti-fraud score launched for the Swedish market in the third quarter of 2024
- Trusted partner for our customers, unique data & insights, easy to integrate & automate with credit processes



CFO Highlights

Key figures Q3 2024



Q3 2024

Net sales ^{-2,4%*}

36,8 MEUR

Adjusted EBITDA ^{-6,0%*}

13,8 MEUR

Adjusted EBITDA % ^{-1,4 pp-%*}

37,5 %

Adjusted EBIT ^{-8,0%*}

10,9 MEUR

Net debt to adjusted EBITDA ^{0,1x}

2,5x

Q3 2023

Net sales

37,3 MEUR

Adjusted EBITDA

14,5 MEUR

Adjusted EBITDA %

38,9 %

Adjusted EBIT

11,8 MEUR

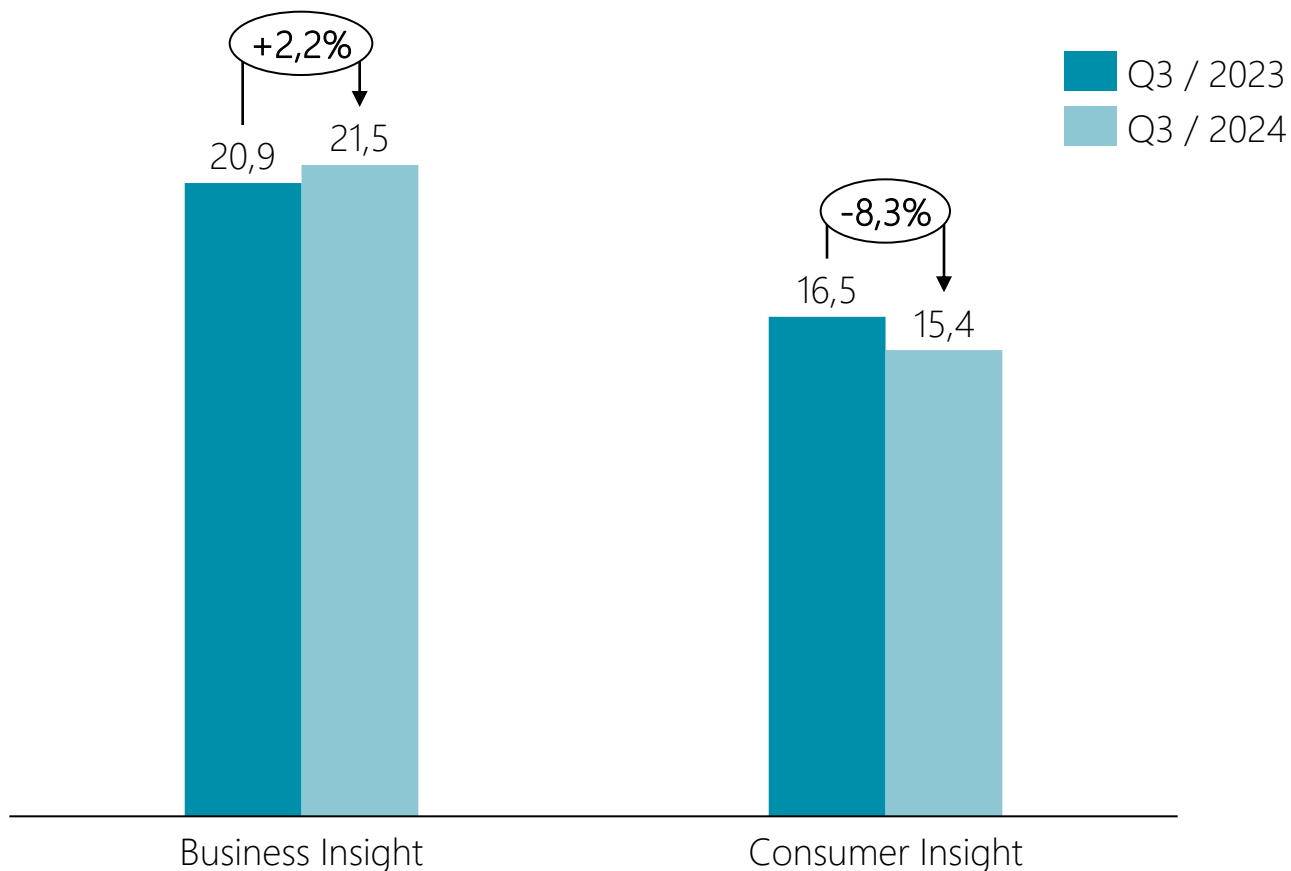
Net debt to adjusted EBITDA

2,4x

* At comparable foreign exchange rates

Revenue by business area

GROWTH AT COMPARABLE FX RATES



Comments

Business Insight

- Stable development and sales continued to grow
- Norway continued strong performance. Finland grew as well. Development in Sweden was more muted in Premium and Freemium
- Strong growth in Real Estate information services continued thanks to new services

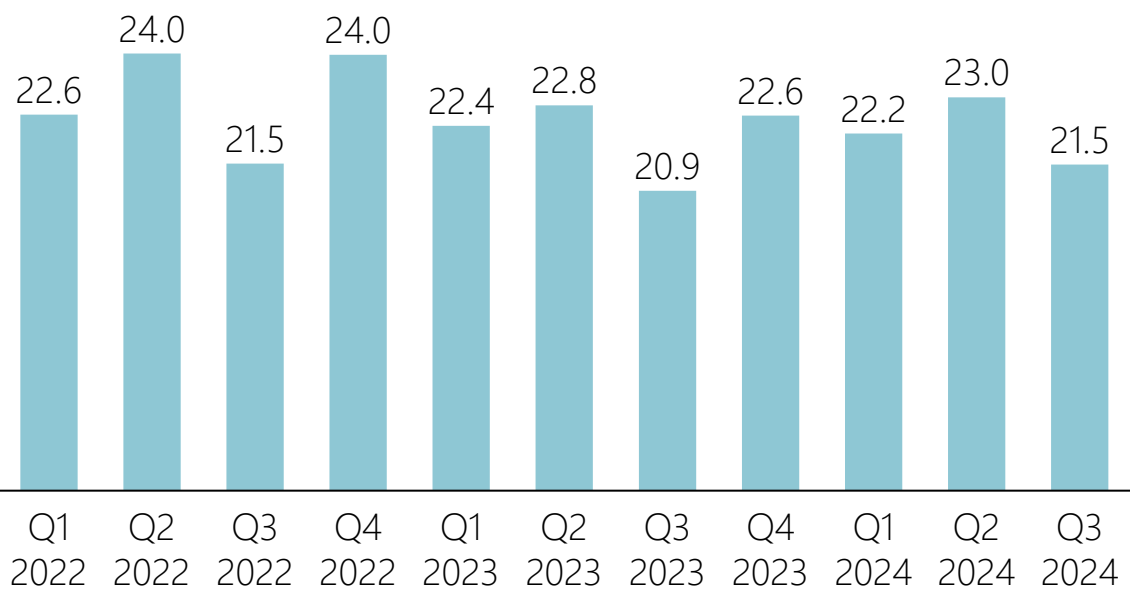
Consumer Insight

- Low consumer lending volumes negatively impacted sales in Sweden and Finland
- We have seen signs of stabilization in the Swedish consumer credit market, but it is not yet turning into volumes and sales growth

Consumer Insight revenue continued to decline from last year, but quarter-to-quarter development is stabilizing



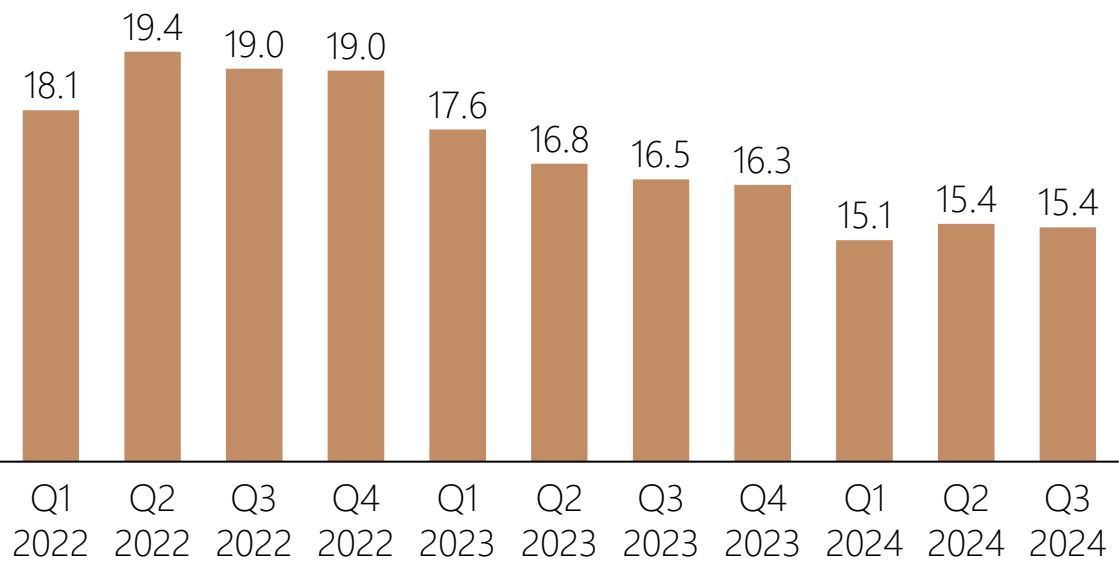
Business Insight revenue quarterly



Year-on-year growth
at comparable FX



Consumer Insight revenue quarterly

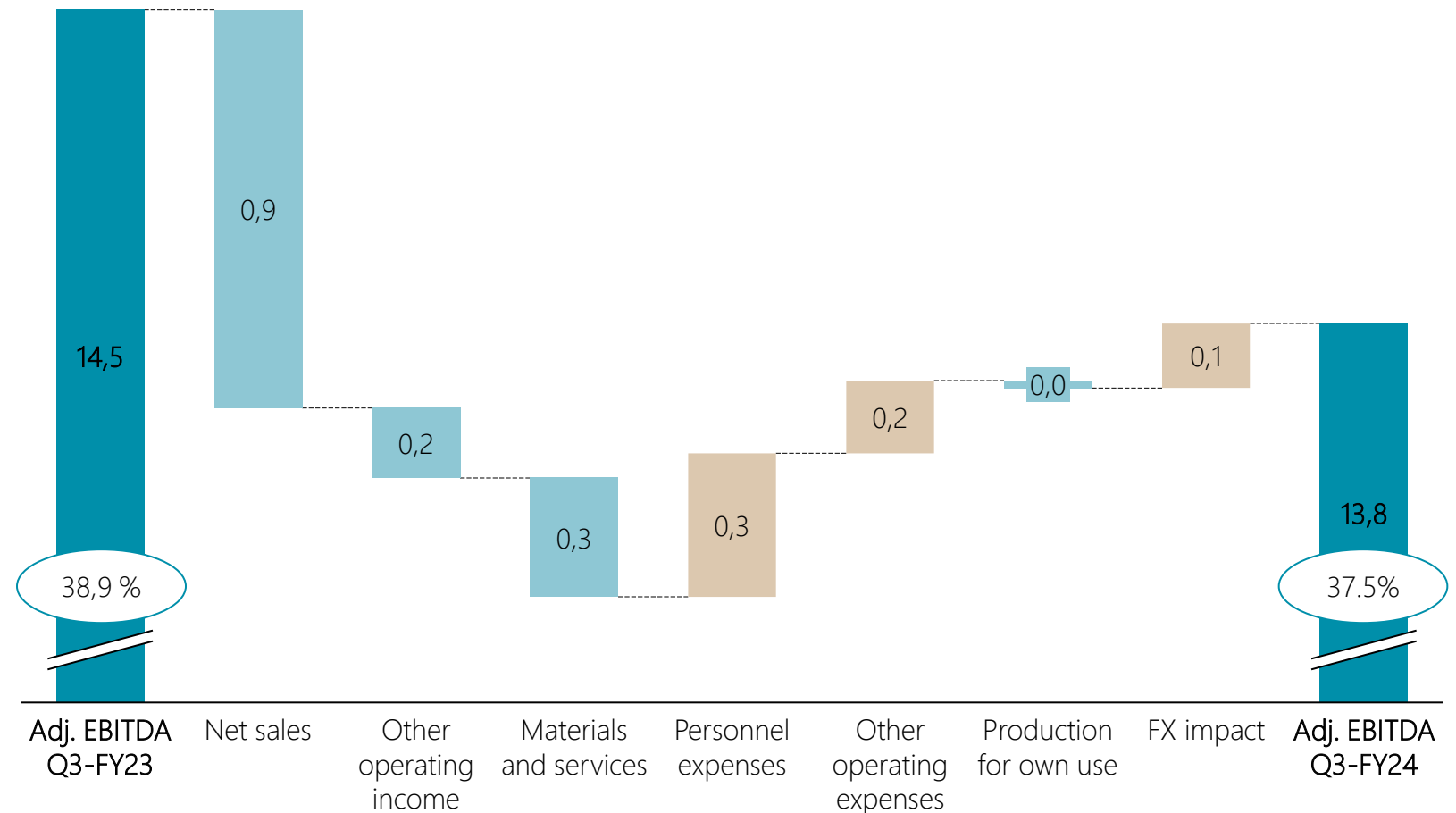


Adjusted EBITDA decreased mainly due to lower revenues in consumer credit information

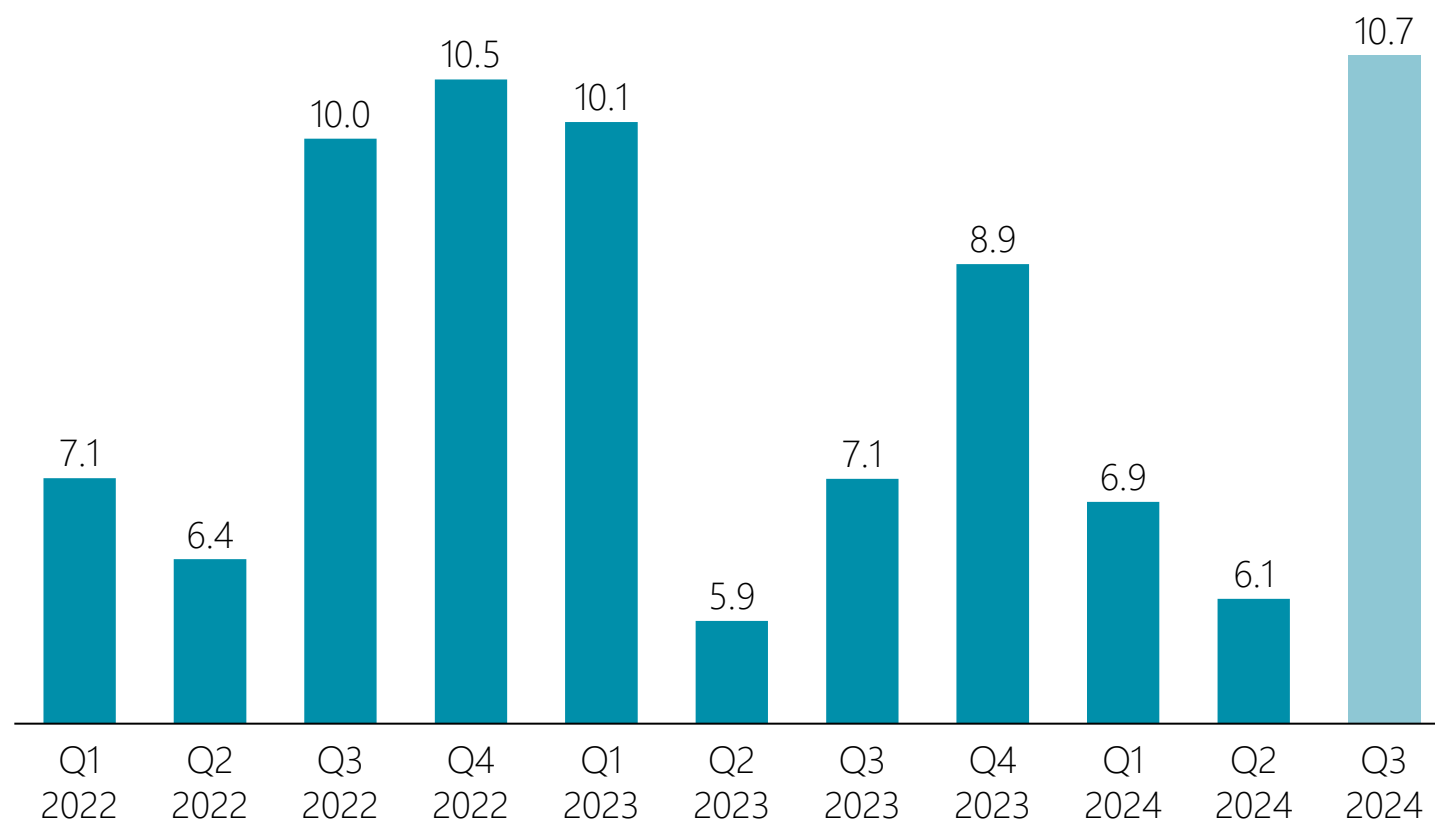


Comments

- Adjusted EBITDA margin was 37.5%, a decrease of 1.4pp year-on-year at comparable rates and decrease of 1.5pp year-on-year at reported rates
- Adjusted EBITDA decreased year-on-year due to challenging market conditions resulting in lower revenue especially in consumer credit information
- Sales mix was also less favourable: consumer credit information in Sweden has a high operating leverage (limited amount of variable costs connected)
- Efficiency actions were successful and decreased costs, but were not enough to offset the negative topline development
- Adjusted EBITDA decreased -6.0% year-on-year at comparable rates and decrease of -5.0% year-on-year at reported rates



Free cash flow remains strong and cash conversion improved



Comments

- Free cash flow remains still solid and increased in the third quarter of 2024 from previous year to EUR 10,7 million (EUR 7,1 million) due to higher operating cash flow thanks to positive working capital impact from decreased account receivables related to lower sales and timing of received payments.
- Cash conversion was strong at 88,8% (50,4%) in Q3 2024.
- Improved cash conversion driven Adjusted free cash flow, excluding paid items affecting comparability improved compared to previous year and was EUR 12,0 million (EUR 7,8 million)
- Adjusted cash conversion, comparing adjusted free cash flow to Adjusted EBITDA, was 86,9% (53,7%) and thus improved as well
- Impact of the items affecting comparability in cash flow was EUR 1,3 million (EUR 0,7 million)

Key indicators



EUR million (unless stated otherwise)	Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	FY 2023
Net debt	136,8	145,6	136,8	145,6	139,7
Net debt / adjusted EBITDA	2,5	2,4	2,5	2,4	2,4
Gearing, %	49,4	53,1	49,4	53,1	49,4
Equity ratio, %	59,7	59,0	59,7	59,0	58,9
Free cash flow	10,7	7,1	23,6	23,1	32,0
Cash conversion, %	88,8	50,4	66,5	57,8	62,6
Gross investments	2,2	1,7	7,8	8,5	11,1

Comments

- Cash position at EUR 17,0 million (committed EUR 30 million facility remains fully unutilized)
- Net debt / adjusted EBITDA at 2,5x in Q3 2024
- Gross investments EUR 2,2 million (EUR 1,7 million) in Q3 2024

Distribution of dividend 1.00 EUR per share in total

- The Annual General meeting held on 25 March 2024 approved the Board of Director's proposal to distribute funds of 0.50 EUR per share as dividend, followed by an additional dividend up to maximum of 0,50 EUR per share subject to the Board decision
- The first installment 0,50 EUR per share was paid on 5 April 2024
- The Board of Directors resolved on 28 October 2024 to pay the second installment of dividend payment EUR 0,50 per share
- The second installment 0,50 EUR per share will be paid on 25 November 2024. The record date of the dividend date will be 6 November 2024



Outlook and guidance for 2024 unchanged



The Company's operating environment remains challenging due to uncertainty in the general economic situation, which is expected to continue to affect Enento's financial performance. Enento's Swedish consumer credit information sector continues to face a challenging operating environment, but Enento expects the environment to stabilize during the second half of the financial year. Enento will continue to prioritize cost control to maintain profitability.

Enento expects demand in its markets to stabilize during the second half of the year. The Company's year-on-year revenue development is consequently expected to improve in the second half of the financial year compared to the development in the first half of the year. For the full year 2024, Enento expects revenue to decline compared to 2023 (at comparable exchange rates and excluding the impact from the discontinued Tambur service).



Thank You!

Time for Q&A



Financials Q3 2024 Summary

Overview



EUR million (unless stated otherwise)	Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	FY 2023
Net Sales	36,8	37,3	112,6	117,0	155,9
Change (year-on-year, comparable fx)	-2,4%	-2,2%	-3,9%	-1,2%	-2,6%
Adjusted EBITDA	13,8	14,5	40,3	43,7	57,1
Change (year-on-year, comparable fx)	-6,0%	-5,5%	-7,9%	1,0%	-2,9%
Adjusted EBITDA margin	37,5%	38,9%	35,8%	37,4%	36,6%
Adjusted EBIT	10,9	11,8	31,2	35,5	46,0
Adjusted EBIT margin	29,7%	31,5%	27,7%	30,4%	29,5%
New services (% of net sales)	16,6%	12,9%	15,3%	12,3%	12,2%
EBITDA	12,0	14,0	35,5	39,9	51,0
EBIT	7,2	8,9	20,2	24,5	30,4

Income statement



EUR million	Q3 / 2024	Q3 / 2023	YTD / 2024	YTD / 2023	FY 2023
Net sales	36,8	37,3	112,6	117,0	155,9
Other operating income	0,0	0,2	0,1	0,3	0,4
Materials and services	-6,9	-6,5	-20,7	-20,0	-26,6
Personnel expenses	-7,9	-8,0	-28,7	-29,8	-40,1
Work performed by the entity and capitalised	0,4	0,4	2,3	2,2	3,2
Other operating expenses	-10,3	-9,3	-29,9	-29,7	-41,7
Depreciation and amortisation	-5,0	-5,1	-15,5	-15,4	-20,6
Operating profit	7,2	8,9	20,2	24,5	30,4
Share of results of associated companies	-0,1	-0,1	-0,4	-0,6	-0,8
Finance income and expenses	-2,0	-1,9	-5,3	-4,6	-7,4
Profit before income tax	5,1	6,9	14,6	19,3	22,2
Income tax expense	-0,9	-1,5	-3,0	-4,0	-4,7
Profit for the period	4,2	5,4	11,6	15,3	17,6
Earnings per share attributable to the owners of the parent during the period:					
Basic earnings per share (EUR)	0,18	0,23	0,49	0,64	0,74
Diluted earnings per share (EUR)	0,18	0,23	0,49	0,64	0,73

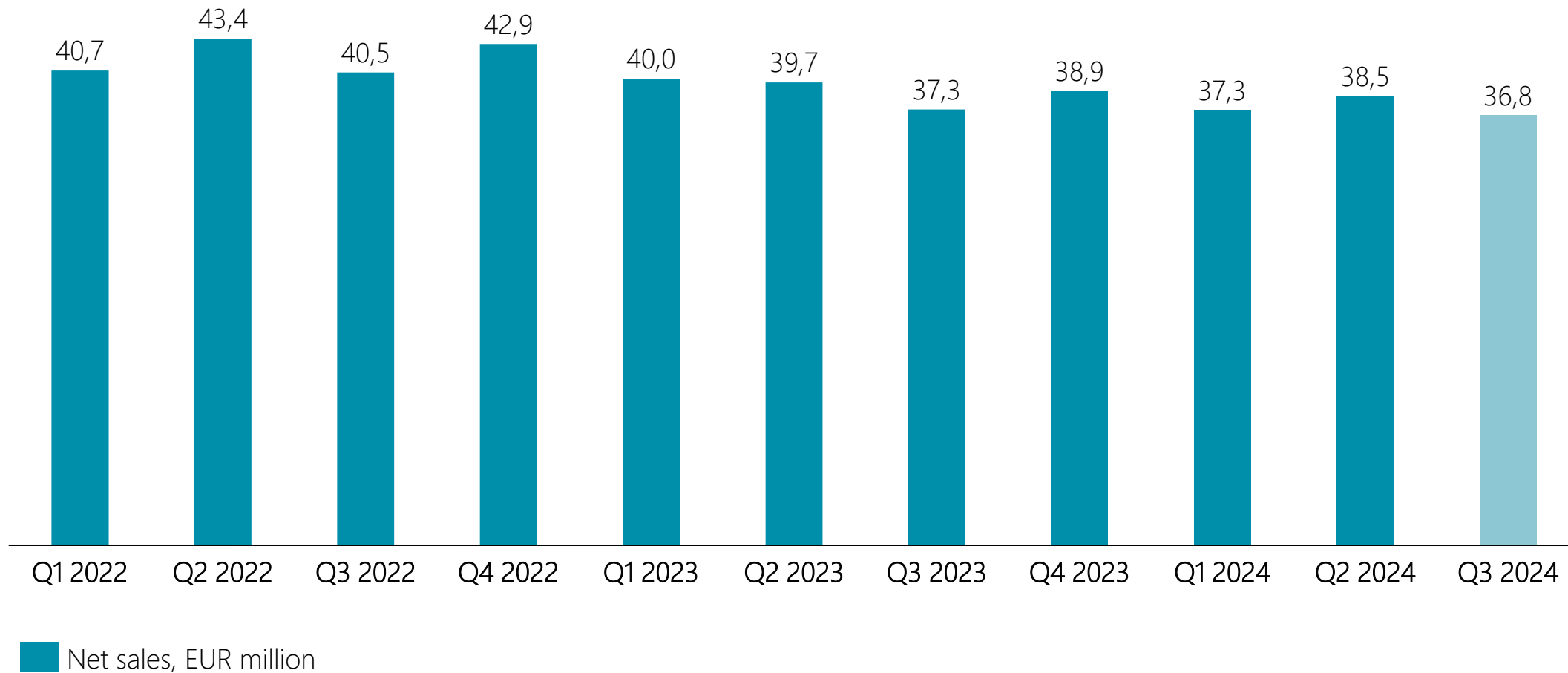
Cash flow



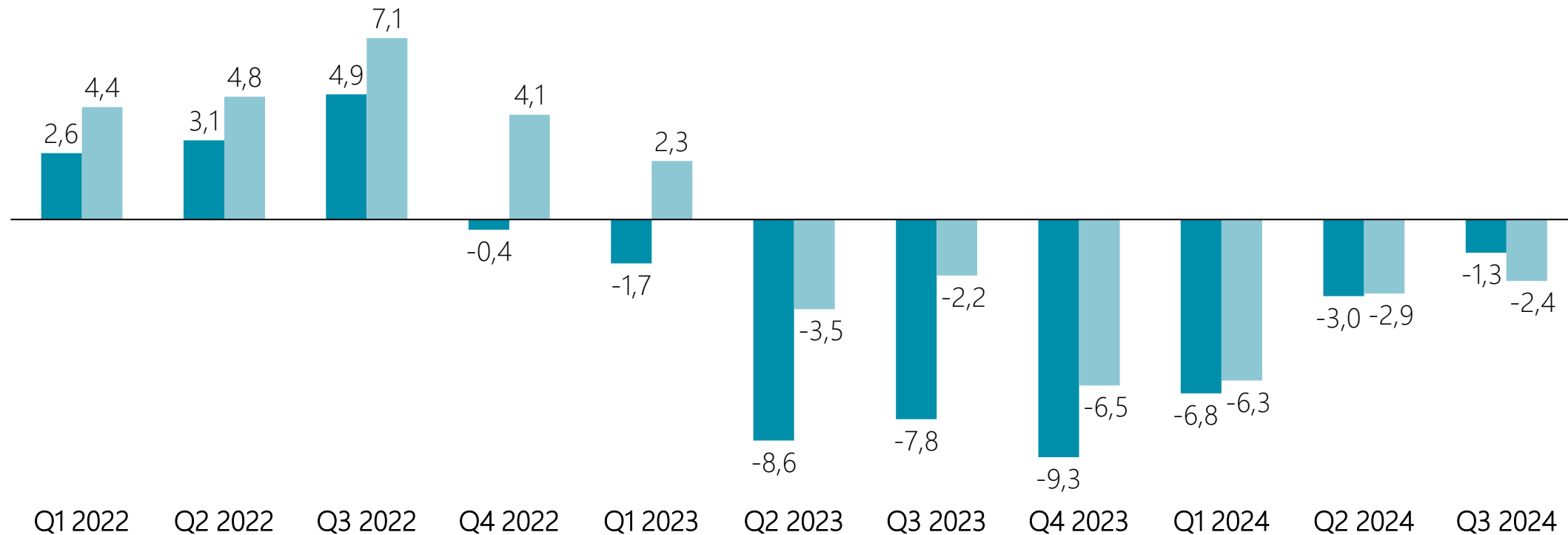
EUR million	Q2 / 2024	Q2 / 2023	YTD 2024	YTD 2023	FY 2023
Cash flows from operating activities					
Cash flows before change in working capital	11,5	13,2	35,9	40,6	51,2
Change in working capital	3,3	-3,6	1,3	-1,7	1,0
Net interests and other financing items	-4,0	-3,5	-7,6	-5,7	-6,2
Income taxes paid	-1,8	-1,5	-5,7	-7,5	-9,1
Net cash from operating activities	9,0	4,6	23,9	25,7	36,8
Cash flows from investing activities					
Net cash used in investing activities	-2,3	-0,7	-7,8	-6,6	-9,2
Cash flows from financing activities					
Net cash used in financing activities	-0,8	-1,0	-16,0	-30,4	-30,8
Cash and cash equivalents at beginning of the period	11,1	5,3	17,4	20,8	20,8
Cash and cash equivalents at end of the period	17,0	8,7	17,0	8,7	17,4



Net sales by quarter



Net sales growth



■ Net sales growth at reported FX, year-on-year, %
■ Net sales growth at comparable FX, year-on-year, %



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Building trust in the everyday.